REMARKS

This paper responds to the Office Action mailed October 9, 2009. Claims 1-11 were

pending. Claims 1-11 have been amended to more clearly define the claimed invention. Claims

1-11 remain pending.

Claims 1-11 Are Patentable Over Barnes in view of Stroh

The Examiner rejected claims 1-11 under 35 U.S.C. § 103(a) as being unpatentable over

U.S. Patent No. 5,970,475 to Barnes et al. [hereinafter "Barnes et al."] in view of U.S. Patent No.

7,155,409 to Stroh [hereinafter "Stroh"]. The Examiner contends that Barnes et al. discloses all

of the elements recited in the claims at issue, except for *"providing commercial terms applicable*

to the included elements, wherein the selecting and providing steps are performed consistent

with contract terms between the purchasing entity and the vendor, wherein the commercial terms

include both intrinsic and extrinsic terms" [hereinafter "the missing teaching"]. For this missing

teaching, the Examiner cites Stroh and contends "it would have been obvious to one of ordinary

skill in the art at the time the invention was made to modify the system and methods of Barnes

[et al.] to incorporate intrinsic and extrinsic terms into a purchase order as taught by Stroh in

order to implement national and international practices when importing/exporting goods." In

support of his rejection, the Examiner cited several portions of Stroh, which are reproduced

below for the convenience of the reader.

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> 20   The opposite is true for an importer. To an importer,
> particularly for products coming from a catalog with specific
> descriptions, parts numbers and per piece prices quoted in
> advance, a purchase order is in the control of the importer,
> and can accurately be constructed to reflect the terms and
> 25   conditions under which the importer wishes to buy goods.
> Thus, many importers may prefer to control the transaction
> and may do so, pursuant to the invention by employing a
> purchase order to implement, effect or control the process in
> an equivalent manner to the way in which an exporter can
> 30   use a proforma invoice.

Stroh, col. 12, lines 20-30.

> clease payment draft references the pro-forma invoice to   50
> define the traded product. Alternatively, but less conve-
> niently, these particulars and agreements could be incorpo-
> rated in a purchase order furnished by the buyer. The name
> of the document, and even the issuer, can be varied. What is
> desirable for a preferred document is that it define the   55
> transaction with particularity and include payment and non-
> recourse agreements such as those described above.

Stroh, col. 13, lines 51-57.

> payment to the seller, subject to conventional discounts.   15
>   In a preferred embodiment of an import purchase order
> process, according to the invention, the pre-release payment
> draft is a bill of exchange accepted by the buyer at the time
> of the issuance of the purchase order which specifies the
> terms, conditions and triggering event or events under which   20
> the seller may actuate the bill of exchange at a later date, by
> performing the agreed upon acts specified in the purchase
> order.
>   In such a purchase order implementation process, the
> buyer signs the acceptance portion of the bill of exchange as   25
> if the seller, as originator, had supplied the document to the
> buyer. Since the buyer is ordering the goods, and intends to
> pay under terms and conditions mutually agreeable between
> buyer and seller, and is in fact the paying party, then the
> buyers's early acceptance of the bill of exchange is confir-   30
> mation of the buyer's willingness to pay. The seller as in
> previous examples, still must determine the ability of the
> buyer to pay, and must agree to the terms and conditions that
> will trigger payment.

Stroh, col. 15, lines 15-34.

The sales agreement embodied in or accompanying the pro-forma invoice can also include choice of law clauses specifying laws applicable to the offer and acceptance cycle and to the underlying trade transaction. For example, reference can be made to laws of the state of a national or supranational territory such as the United States of America or the European Union. Preferably, for international trade transactions, an international treaty is specified, for example, the Vienna Convention on the International Sale of Goods, which the United States and most industrial countries have ratified. Where one party is domiciled in a country not a party to the treaty, treaty law can nevertheless be invoked by contract to provide a uniform legal basis for multiple transactions, and to reference a body of transaction law which can be acceded to, and from which derogations or variations can be made by agreement.

The pro-forma invoice provides a convenient vehicle for embodying not only the transaction particulars but also the above-described transaction-specific agreements, because the triggering event will usually be controlled by the seller. Therefore the seller will create the document that accompanies the goods, namely the invoice. In this case the pro-forma invoice is a system precursor of an actual invoice. The latter can be quickly and accurately generated from the former.

However, other documents could be used to embody the sales or purchase agreement terms preferred by the invention, as described herein, for example a purchase order. Such purchase order should also be signed by the buyer in order to have the same force and effect as the signed pro-forma invoice described more fully herein.

Stroh, col. 22, lines 28-59.

In such case the importer may play the major role in the process and be equipped with a trade finance software module. Such a sophisticated importer may also generate one or more purchase orders embodying the relevant sales agreement terms, as described herein, rather than pro-forma invoices.

Stroh, col. 39, lines 42-47.

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PRO-FORMA INVOICE COVER SHEET

EXPORTER INFORMATION	TERMS OF SALE

IMPORTER INFORMATION	SHIP TO

PROFORMA INVOICE SUMMARY INFO.

BANK OF PRESENTATION (IMPORTER'S BANK) INFO	CARRIAGE INSURER INFO
	IMPORT CERTIFICATIONS

IMPORT DOCUMENTS REQUIRED

PRO-FORMA INVOICE ITEMIZATION

Please read, accept, sign and date the following items:

MERCHANDISE CLAIMS	ACCEPTED	DATE

TRANSPORTATION	ACCEPTED:	DATE:

POWER OF ATTORNEY	ACCEPTED:	DATE:

CHANGE ORDERS	ACCEPTED:	DATE:

1ST BILL OF EXCHANGE	ACCEPTED	DATE:

Figure 11C

Stroh, FIG 11c.

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The pro-forma invoice shown in FIG. 11C comprises a cover sheet divided into an upper information section and a lower, agreement section. As labeled in FIG. 11C, the upper section sets forth basic information on the exporter issuing the pro-forma invoice, on the importer, on a bank of presentation, referenced as the importer's or buyer's bank herein, summary information regarding the pro form a invoice, the terms of sale, a ship-to location, carriage insurance information, information regarding import certification and import documents required, as well as an itemization of the pro form a invoice. The itemization can contain one or more traditional invoice lines setting forth quantity, description, price and extension of goods shipped, where the shipment comprises a small number of items, or it may reference an attached conventional pro form a invoice for more complex shipments.

The lower, agreement section of the cover sheet provides agreement paragraphs regarding merchandise claims, transportation, a limited power of attorney, change orders and a first blue exchange. Preferably, the importer-buyer is required to sign, date and accept each of the paragraphs individually, prior to the triggering event set forth in the first bill of exchange. In most cases, in practicing the invention, acceptance of the paragraphs regarding removal of merchandise claims from the payment cycle and payment of a first bill of exchange will be required, while the other agreement paragraphs are optional, but preferable. If desired or required, the seller, or the seller's agent, can also sign or otherwise indicate its assent to and authorization of the pro-form a invoice. It will also be understood, that where the financing process is buyer-initiated or controlled, the material elements and information in the pro-forma invoice can be incorporated in a purchase order or purchase order cover sheet with suitable changes.

The following tables provide non-limiting examples of information and agreement paragraphs that may be employed in the pro form a invoice when practicing the invention. The table headings reference the legends used in FIG. 11C to indicate locations where the table data may appear on the pro-forma cover sheet. It will be appreciated that the arrangement of data or data sections on the pro-forma invoice can be widely varied. Those of ordinary skill of the art will understand the abbreviations used and variations that may be made within the spirit of the event. It will also be understood that much of the variable data can be

Stroh, col. 28, lines 23-67.

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computer-generated from available databases or from other
program procedures, for example, importer or exporter setup
routines where the required information has previously been
gathered or maintained. Curly parentheses, "{ }", indicate
possible sources for required data items.

Stroh, col. 29, lines 1-6.

TABLE 1

Exporter Information		10
Exporter's DUNS #:	Exporter named Party	
{D&B lookup}	{N.P. or contact}	
Company {from exporter set-up}	Address 1 {from exporter set-up}	
Address 2 {from exporter setup}	City "	15
State/Province "	Postal Code "	
Country: " ISO Country code: "	Tel: "	
Fax: " Email:	" www. "	

TABLE 2   25

Terms of Sale	
1.	Payment: League of Nations Convention on Bills of Exchange 1930 "
2.	Shipping terms: EXW loaded, INCO 1990
3.	Governing Law: UN Vienna Convention on the International Sale of Goods (CISG)
4.	Merchandise Claims: not later than {cover for tenor} days after shipment.
5.	Shipped under "Retention of Title"
6.	Latest shipping date: / /
7.	If Credit APPROVED: Documents against acceptance: Tenor: days

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TABLE 3

Importer Information		
Dun's # {from importer set-up} Importer: {from importer set-up address: tel: " fax: "	Attn: {rep from importer set-up} address " city, cnt, postal code " Email: "	50

TABLE 4

5

Ship to:	
Ship to: {from importer set-up} Warehouse: same	Attn: {customer fills in}
Address same	city, unit, postal code: same
10 tel: " fax: "	Email: "

TABLE 5

Pro-Forma Invoice Summary Information	
20 PROFORMA invoice #: {fills in from proc} DATE: {entered from proforma} Ship by date: {entered from proforma}	Customer id: {on proforma {from accounts}} Amount: {entered from proforma}

TABLE 6

Bank of Presentation	
35 BANK OF PRESENTATION {importer fills} Branch: Address 1 Address 2 tel: fax:	Contact: city, unit, postal code email:

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TABLE 7

Carriage Insurer Information

45 Insurance Company: {Importer fills}   Policy #_____
Marine all risks: shippers load & count. Insurance at the cost and risk
of buyer.
Enter here the customs (HS) code most applicable to
these goods: _____

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TABLE 8

Import Certifications

55 Import Certifications Required
ORIGIN (form)_____   Other_____

TABLE 9

Import Documents Required

Import documents required for customs clearance
Type: Invoice Packing Lists   Other documents CERTIFICATE OF _____
Originals: no.   Copies: no.

TABLE 10

Pro-Forma Invoice Itemization

Harmonized System Code: Correct or amend HS numbers to reflect your classification.
Proforma Invoice Total: from detailed dom-édire itemized invoice attached, or single item listed below with
Harmonized System numbers (8 digits required).
HS#__{enter}_____description x cost #   units   unit value   extension
HS#__{enter}_____   cost #   units   unit value   extension
Item or total value $ Accepted{   Date   "
{exporter dates from previous page}   {final date computer clock}   {importer dates from previous page}
{proforma invoice # from row this page}   {total proforma invoice amount from previous page}
{ship by date from previous page}

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U.S. Patent Application No. 10/052,900
Attorney Docket No. 1011/1

TABLE 11

Agreement Section Paragraphs

Merchandise Claims: In accepting this pro-forma invoice, the importer specifically waives to recognize the Bill of Exchange as a payment instrument under which payment is made as a financial instrument subject to the League of Nations Convention of 1930 (or successor treaties) which specifically excludes merchandise claims as a reason for non-payment, or a reduction in payment, of the amount of the Bill of Exchange. The exporter and the importer mutually agree to accept the terms of sale as stated, and to identify and settle merchandise disputes as a transaction separate and apart from the payment transaction, in accordance with the UN CISG.   Accepted: DATE:

Transportation: As the owner of the goods, ex-works loaded, the importer will specify with the power of attorney below (or leave blank), a door to door, multimodal transportation company, with its own offices in both the country of exportation and country of importation, shipping the goods at the account and risk of the importer, such that the transportation of goods is covered by one waybill only on a door to door basis, and with a transportation company that has electronic tracking capability such that the carriage and the delivery of the goods can be monitored and established including proof of delivery by electronic means. In the event that the importer does not wish to select such a carrier, a blank limited power of attorney will enable the exporter or USC on behalf of the importer to use their best efforts without obligation to select a carrier that meets the above criteria who is willing to undertake carriage of the goods at the expense of the importer.   Accepted: DATE:

Limited POWER OF ATTORNEY (required in order for exportation to be completed in the US on your behalf)
You authorize (agent/forwarder/carrier or leave blank)_____ to act as forwarding agent for you for Export Control, Census Reporting, and Customs purposes. If you have no permanent residence in the United States, you also authorize Trade Finance Service Corporation (or agent)_____ to accept service of process issued by the Department of Commerce, Department of Treasury, or any other Federal Government Agency or Court addressed to you, and you consent to personal jurisdiction and venue of any Federal Court or administrative tribunal in the United States. You hereby certify that all statements and information contained in the documentation relating to exportation are true and correct. Furthermore, you acknowledge that civil and criminal penalties, including forfeiture and sale, may be imposed for making false or fraudulent statements or for the violation of any United States laws on exportation, including but not limited to 13 U.S.C. Section 305, 22 U.S.C. Section 401, 18 U.S.C. Section 1001, and 50 U.S.C. App. Section 2410.
So agreed as agreements are acceptance signed below.   Initial here_____date_____.

Change Orders: Changes to this transaction can be made up to the time of shipment by the exporter issuing and the importer accepting a new pro-forma on forms invoice with a covering PHPI and first Bill of Exchange attached as herein specifying the terms of the new transaction. By mutual agreement, these documents may be exchanged by fax between fax machines regularly used in the normal course of business and listed herein. Also by mutual and explicit agreement faxed documents which appear on their face to have been signed by either party shall be considered for the purposes of that and this changed transaction in a manner signatures so that any and all rights and obligations accruing to this document covering a particular transaction shall in the same way accrue to a subsequent transaction merely this transaction. The importer identified above, and right in this document explicitly agrees not to challenge a faxed signature on a bill of exchange which on its face appears to have been signed to modify the initial transaction.   Accepted: date:

First Bill of Exchange: The First Bill of Exchange shown in escrow represents a commitment to pay the First of Exchange (second unpaid) when accompanied by shipping documents and/or to accept the Second Bill of Exchange which will be issued with the invoice on shipment date. Upon acceptance of the Second of Exchange, the import documents will be released. Upon the payment of the Second Bill of Exchange, the First Bill of Exchange is extinguished. Upon non-acceptance of the First Bill of Exchange the transaction will not be entered into. For non-acceptance of the Second Bill of Exchange, an instruction to protest has been issued, and the shipping documents with the First Bill of Exchange (accepted) will be presented for payment. Non-payment will be protested.
You must sign and date the pro-forma invoice attached and the space marked "ACCEPTED" on the document below to initiate this transaction. You may fax this document and the signed pro-forma as an advice of acceptance, however, the transaction cannot be officially entered until the signed document is received in the mail.

Stroh, tables 1-11 (found at cols. 29-32).

In short, neither Barnes et al. nor Stroh disclose the use of intrinsic and extrinsic terms as part of the total electronic catalog creation and procurement system as recited in the claims at issue. According to the present invention, electronic catalog creation and access to the customer

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are performed by applying *pre-negotiated* contract terms (as opposed to terms negotiated as part

of the process as in Stroh) between the purchasing entity and the vendor – employing both

intrinsic and extrinsic terms. In other words, contract terms specific to each vendor are

automatically translated into a specific vendor catalog which is made available to the customer

for purchase. Thus, the electronic catalog specifies all terms necessary for the customer based on

the pre-established contract between the vendor and the customer's company, along with those

terms that would necessarily arise if a contract was to be performed between the vendor and the

user perusing the catalog, such as all delivery terms, taxes, duties, commercial standards,

company policies, etc. All of these intrinsic and extrinsic elements are provided to the user as

part of the electronic catalog forming the front end of the electronic procurement process, thereby

enabling the user to review these elements BEFORE making a purchase decision while ensuring

compliance with these terms by maintaining an electronic procurement process that enforces the

displayed terms AFTER the decision making process. In contrast, Stroh adds contract terms

AFTER the purchase decision, which are not necessarily available to the decision maker when

comparing potential purchases from various vendors.

The electronic procurement system of the present invention intelligently applies the

customer's pre-negotiated service level delivery agreements to ensure full compliance with these

agreements and to match the catalog items displayed to the user when the user makes his

purchase decision. The host architecture has an access interface where the customer's authorized

users can access web documents, some of which contain among other things, the commercial

terms applicable to a set of elements the user may select to purchase including those terms not

expressly stated in the pre-negotiated contracts, but would arise if the customer selects the item.

All of these elements (including both intrinsic and extrinsic terms) are made available to the user prior to selection by the user before making a purchase decision.

The disclosed method of providing electronic procurement to a purchasing entity also includes the automated process of collecting a fee from the purchasing entity that is based on the value of the contents of the electronic shopping basket. This is a fully automated process for extracting the pre-negotiated commercial terms from the purchase price. The items in the catalog are pre-priced by the decision-engine coupled to the database. The pricing is based upon the purchaser's delivery location (*e.g.*, reflecting extrinsic terms) and customer's pre-negotiated OEM price, (*e.g.*, an intrinsic term). Pricing is calculated in the customer's local currency and reflects the local tariffs, duties, taxes, trade block adjusters and any other country specific commercial terms – all the foregoing of which comprise extrinsic terms because they are not part of the pre-negotiated commercial terms but rather arise out of the place where the sale will occur.

The e-procurement system enables the customer to transact in multi-currency/multi-vendor/multi-OEM/multi-country catalogs. The e-procurement system has the capability to expose the customer catalogs both globally and locally based on pre-negotiated customer contractual terms. These features are included in some of the claim elements that will be discussed below.

Referring specifically to independent claim 1, this claim includes the recitation:

> constructing an electronic catalog having one or more pages by
> selecting elements to be included in the pages, and providing
> commercial terms applicable to the included elements, where the
> selecting and providing steps are performed consistent with
> contract terms between the purchasing entity and the vendor,
> *wherein said commercial terms include both intrinsic terms and
> extrinsic terms...*

[emphasis supplied].

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As set forth in the specification in paragraphs [0087]-[0088], the key commercial terms are used to customize the electronic catalog for a given user and these key commercial terms include both intrinsic and extrinsic terms. Intrinsic terms include listing and pricing, whereas extrinsic terms include terms that are derived indirectly from the contract or are a consequence of implementation of the contract, such as taxes, duties, tariffs, laws, and in-country business rules.

As noted in prior responses and recognized by the Examiner, Barnes et al. fails to teach the aforementioned electronic catalog and procurement system that employs commercial terms with both intrinsic terms and extrinsic terms between the company and the vendors, which intrinsic and extrinsic terms are then used to control the display of catalog items to a user and purchasing of an item from the catalog when a user of the company purchases items through the system.

With regard to claims 2-11, similar limitations appear. For example, claim 2 states: "a plurality of web documents forming pages of an electronic catalog, the web documents generated from elements selected in accordance with contract terms between a purchasing entity and the vendor, and at least one web document containing commercial terms applicable to the selected elements, *wherein said commercial terms include both intrinsic terms and extrinsic terms.*" [emphasis supplied].

Thus, as recited in claim 2, web pages to be displayed to the user are generated showing both intrinsic and extrinsic terms. Again, the intrinsic terms are those specified in the previously negotiated contracts and the extrinsic terms are those terms that must arise from the fact that the contract will occur between the vendor and the user.

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Claim 3 includes the recitation "constructing an electronic catalog having one or more pages by selecting elements to be included in the pages, and generating commercial terms applicable to the included elements; where the selecting and generating steps are performed in accordance with contract terms between the purchasing entity and the vendor, wherein said commercial terms include both intrinsic terms and extrinsic terms." Here the intrinsic and extrinsic terms are used as part of the electronic catalog construction.

Claim 4 includes the recitation "generating a plurality of web pages to form a user-specific catalog which includes a set of deliverables that may be supplied by a supplier to a purchasing entity, wherein items contained in the set of deliverables and commercial terms for the supply of the deliverables are determined between the supplier and the purchasing entity in advance of the e-procurement session, wherein said commercial terms include both intrinsic terms and extrinsic terms. This claims uses the intrinsic and extrinsic terms to create the web pages being displayed to users.

Claim 5 includes the recitation "providing a user electronic access to a catalog of deliverables that may be ordered by the user where the catalog is constructed according to terms of a contract for purchase and sale of deliverables between a purchasing entity and a supplier, wherein said terms include both intrinsic terms and extrinsic terms."

Claim 6 includes the recitation "generating one or more web-page listing items and prices associated with the listed items suppliable by an OEM to a purchasing entity, where the listed items and prices are determined between the OEM and the purchasing entity in advance of the e-procurement session, wherein said generating includes using commercial terms of a pre-

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established contract between the OEM and the purchasing entity, and the commercial terms

include both intrinsic terms and extrinsic terms."

Claim 7 includes the recitation "constructing a set of purchasable items incorporating a

pre-established standard of the organization, wherein said pre-established standard includes both

intrinsic terms and extrinsic terms."

Claim 8 includes the recitation "constructing a set of items purchasable by the

organization in accordance with terms of a pre-established contract between an original

equipment manufacturer and the organization, wherein said contract includes both intrinsic terms

and extrinsic terms ... determining, in response to user request for access, a subset of items for

display on web-pages and associated pricing for each item in the subset consistent with the

contract and both the intrinsic terms and extrinsic terms."

Claim 9 includes the recitation "a database containing a set of items purchasable by the ▪

organization in accordance with pre-established terms of a contract between an original

equipment manufacturer and the organization and further containing decision rules derived from

the contract terms, wherein said contract terms include both intrinsic terms and extrinsic terms."

Claim 10 includes the recitation "constructing a set of items purchasable by the

organization in accordance with pre-established terms of a contract between an original

equipment manufacturer and the organization, wherein said terms include both intrinsic terms

and extrinsic terms."

Claim 11 includes the recitation "constructing a catalog of a set of deliverables, members

included within the set and prices associated with each member are established between a purchasing

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entity and a supplier prior to the electronic ordering, wherein said constructing includes using both intrinsic terms and extrinsic terms of an agreement between the purchasing entity and supplier

As recited in some of the independent claims, the order is forwarded to a vendor for fulfillment with the specified intrinsic and extrinsic terms. This ensures full compliance with the company's pre-established contract including all commercial terms.

Still, as recited in some of the independent claims, an access is provided that enables an authorized user to view all of these key terms as part of the pre-purchase decision process, both intrinsic and extrinsic terms, applicable to a specific set of items. Stroh and Barnes et al. fails to disclose this capability. In fact, Stroh teaches an automated system for establishing a contract – a purchase order – with all of the terms after the purchase decision is made. Thus, when considering the teachings of Stroh as a whole, even when combined in the manner suggested by the Examiner with Barnes et al., one does not arrive at the claimed invention.

In short, the claimed invention provides a complete end-to-end procurement system that creates an electronic catalog based on terms intrinsic to a previously negotiated contract between a user's organization and a supplier, as well as terms extrinsic to the contract, but nevertheless equally important to the user. The user is also able to view these terms when deciding to place an order. The purchase order is created with both of these intrinsic and extrinsic terms and forwarded to the supplier for fulfillment, thereby guaranteeing the desired contractual terms as well as those terms resulting from the specific user's purchase are part of the resulting contract with the vendor. Barnes et al. and Stroh even as combined in the manner suggested by the Examiner simply fail to disclose such an electronic catalog and related procurement system. The

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Applicant respectfully requests reconsideration and withdrawal of the rejection of claims 1-11 based on the combination of Barnes et al. and Stroh.

CONCLUSION

The Applicant respectfully submits this application is in condition for allowance and requests issuance of a Notice of Allowance.

Although not believed necessary, the Office is hereby authorized to charge any fees required under 37 C.F.R. § 1.16 or § 1.17 or credit any overpayments to the deposit account of MICHAEL P FORTKORT PC, Deposit Account No. 50-3776.

In the event the prosecution of this Application can be efficiently advanced by a phone discussion, it is requested that the undersigned attorney be called at (703) 435-9390.

Respectfully submitted,

By _____   Date: <u>October 21, 2009</u>
Michael P. Fortkort (Reg. No. 35,141)

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